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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re:  
  
NEW CAL-NEVA LODGE, LLC,  
  
Debtor.

Case No. 16-51282-gwz

Chapter 11

**JOINT EMERGENCY MOTION FOR ORDER  
APPROVING NON-MATERIAL  
MODIFICATIONS TO CONFIRMED PLAN  
AND RELATED RELIEF**

Hearing Requested per OST

## INTRODUCTION

The Official Committee of Unsecured Creditors (the “Committee”) of New Cal-Neva, LLC (the “Debtor”) and Lawrence Investments, LLC (“Lawrence,” and together with the Committee, the “Proponents”) hereby submit this emergency motion (“Motion”) seeking approval of certain non-material modifications to the *First Amended Plan of Liquidation for New Cal-Neva Lodge, LLC Jointly Proposed by Lawrence Investments, LLC and the Official Committee of Unsecured Creditors Dated August 16, 2017* [Docket No. 805] (“Plan”)<sup>1</sup>, all on the grounds set forth below.

Although the Court confirmed the Plan several months ago, the Plan has not gone effective due to the District Court’s issuance of a stay pending appeal, which stay prevented the consummation of the Plan and the closing of the sale transactions provided for thereunder. Recently, the parties to the appeals and related litigation that have stalled the implementation of the Plan for almost two months agreed to settle their disputes through modifications to the Plan as reflected in the Term Sheet attached as **Exhibit A** hereto (the “Term Sheet”), and a related consensual Lien Litigation Resolution. To pave the way for this Motion to proceed, the parties recently filed with the District Court stipulations to dismiss the appeals, and to dissolve the stay. The District Court entered orders on December 12, 2017 dismissing the appeals, copies of which are attached hereto as **Exhibit B**.

Although the Term Sheet contemplates approval of this Motion no later than December 22, 2017 and a closing by January 10, 2018, the parties are endeavoring to close the transactions set forth in the Plan as promptly as possible and hopefully before year end. If the Plan cannot close by year end, there is a real and material risk that the Plan will not be consummated given additional expenses that will likely accrue, including additional U.S. Trustee fees. Accordingly, the Proponents request that the relief requested in this Motion be granted on an emergency basis.

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<sup>1</sup> All initially-capitalized terms not defined herein have the meanings ascribed to them in the Plan.

**MEMORANDUM OF POINTS AND AUTHORITIES****I.****STATEMENT OF FACTS****A. General Background**

On July 28, 2016 (the “Petition Date”), the Debtor commenced its bankruptcy case by filing a voluntary petition under chapter 11 of the Bankruptcy Code. On September 13, 2016, the Office of the United States Trustee appointed the Committee in the Debtor’s case, as amended on December 6, 2016. The current members of the Committee are: (i) The PENTA Building Group, LLC (“Penta”); (ii) Briggs Electric, Inc.; (iii) Savage & Son, Inc.; and (iv) George Stuart Yount.

**B. The Plan**

The Court confirmed the Plan at a hearing on September 14, 2017. After much acrimony over the language of various documents, on October 16, 2017 the Court entered the *Order Confirming First Amended Plan Of Liquidation For New Cal-Neva Lodge, LLC Jointly Proposed By Lawrence Investments, LLC And The Official Committee Of Unsecured Creditors Dated August 16, 2017, As Modified Hereby* (Docket No. 966, the “Confirmation Order”). That same day, the Court also entered its *Findings of Fact and Conclusions of Law in Support of Order Confirming First Amended Plan of Liquidation for New Cal-Neva Lodge, LLC Jointly Proposed by Lawrence Investments, LLC and the Official Committee of Unsecured Creditors Dated August 16, 2017* (Docket No. 965, the “Findings”).

**C. The Appeals**

On October 18, 2017, Hall CA-NV, LLC (“Hall”) and Paul and Evy Paye, LLC (“Paye”) each filed a *Notice of Appeal and Statement of Election* to the Confirmation Order, Docket Nos. 969 and 971, respectively (collectively, the “Appeals”), which Appeals now are pending before the United States District Court for the District of Nevada (“District Court”). Hall and Paye each also requested that the District Court issue a stay of the Confirmation Order. However, as of the date of this Motion, the District Court had ruled only on Hall’s request for a stay, which the District Court issued after a hearing on October 24, 2017.

1           Soon after the District Court issued its stay of the Confirmation Order, Lawrence informed  
2 the parties that its offer to acquire the Purchased Assets under the Plan would expire at the end of the  
3 day on November 8, 2017. On November 8, 2017, Judge Spraker from the United States Bankruptcy  
4 Court, District of Alaska conducted a third all-day mediation in this case in Las Vegas in an effort to  
5 globally resolve all of the issues regarding the Plan. While the parties were unable to reach a  
6 settlement at the mediation, following the mediation Lawrence agreed to keep its Plan offer until  
7 November 17, and then again until November 28, to provide more time for a settlement to occur.

8           After the mediation, the parties continued to engage in extensive, arms-length, and good faith  
9 negotiations. These negotiations resulted in the outline of a deal on November 28, following which  
10 the parties worked for more than a week to formulate a comprehensive term sheet, which now has  
11 been signed by all of the parties. The term sheet also provides for a resolution of the Lien Litigation,  
12 to be implemented via a separate 9019 motion in that adversary proceeding.

13           After the term sheet was signed, the parties entered into stipulations to dismiss both Appeals,  
14 and to dissolve the Hall Stay of the Confirmation Order. Those stipulations were approved by Court  
15 orders entered on December 12, 2017.

16           The result now is that the parties -- the Debtor, Lawrence, Hall, Penta, Paye, the  
17 professionals, and the Committee, now are finally able to come before the Court with an agreed  
18 framework to resolve this case. Per the Term Sheet, the parties have agreed to make certain non-  
19 material modifications to the Plan that will allow the Plan to go effective, and for the sale of the  
20 Resort and Fairwinds Estate to close, with the consent of all all the major players. Accordingly, the  
21 parties request that the Court grant this Motion, and approve the Term Sheet as a non-material  
22 modification to the Plan.

23       **D.    The Term Sheet and the Proposed Plan Modifications**

24           The primary features of the Term Sheet are that (a) Hall and Penta have agreed to accept  
25 reductions in the payments to be made on account of their claims under the Plan; (b) the estates'  
26 professionals have agreed to a further discount of their already steeply discounted fees; (c) the  
27 reductions in payments that otherwise would be made to Hall, Penta and the professionals have freed  
28 up funds that will be used to fund a cash settlement to the Payes in the amount of \$225,000; and (d)

Lawrence has agreed to exclude from the Purchased Assets both (i) certain Resort FF&E (which will go to Hall), and (ii) the personal property in the Fairwinds Estate (which will go to Paye).

What follows is a more detailed summary of the elements of the Term Sheet that form the basis of the plan modifications that the Court is being asked to approve (note that the following summary is qualified by the more detailed provisions of the Term Sheet, which shall govern):

- a. Plan Modification: The confirmed Plan will be modified by the instant Motion to approve the Term Sheet. The Plan will be modified to increase the Plan Payment to \$2,355,000; reduce the carve-out for professional fees from \$1,200,000 to \$975,000; provide that any excess Plan Payment funds will be paid to Hall; provide that the \$500,000 payment to Capital One Bank and an additional amount of \$155,000 from the Plan Payment with respect to payments to Capital One Bank will be paid to Hall; provide that the Cal-Neva FF&E and any other of Hall's Collateral that is not sold to LI under the Plan will be assigned to Hall; and to provide for the payment of \$225,000 from the Plan Payment to Paye.
- b. Timetable & Deadlines: The plan modifications will be implemented by (a) Hall and Paye stipulating to the dismissal of their pending appeals, such that the appeals are dismissed by December 15, 2017; (b) Hall stipulating to the dissolution of the stay of the Confirmation Order, such that the stay is dissolved by December 15, 2017; (c) Lawrence stipulating that it will (i) not seek to consummate the existing Plan upon the dismissal of the Hall and Paye appeals, and the dissolution of the Hall stay; and (ii) seek to consummate the Plan and purchase of the Property and Fairwinds Estate only as modified pursuant to this term sheet; and (d) the Parties filing with the Bankruptcy Court a joint motion to approve plan modifications consistent with this term sheet.
- c. Settlement of Lien Litigation: Hall and Penta will file a motion in the Lien Litigation seeking approval of a settlement of the Lien Litigation and dismissal of all claims with prejudice as to all parties to the Lien Litigation. The \$15 million Lien Litigation Reserve will be distributed \$8,025,000 to Penta and \$6,855,000 to Hall. Hall and Penta agree to file a motion to dismiss the Lien Litigation and obtain an order of dismissal. Hall and Penta will leave the sum of \$120,000 in the Lien Litigation Reserve with respect to any liens of subcontractors not included under the Penta Payees (as defined below) – an amount that exceeds the total amount of lien claims now asserted by such claimants. Any monies remaining after satisfying such liens will be split equally by Penta and Hall. Hall and Penta agree to continue the trial date scheduled for January 2018 to the extent necessary to implement the plan modifications and lien litigation settlement as provided for in this term sheet.
- d. Penta and Subcontractors: Notwithstanding any treatment under the Plan, Penta will receive the amount of \$8,025,000 on account of the claims of Penta, its subcontractors and D4US, LLC (collectively "Penta Payees") and Penta shall receive \$550,000 on account of its superpriority lien pursuant to the replacement of the retail roof. Penta shall either deliver executed mechanics lien releases from each of the Penta Payees or, at its option, shall tender the recorded amount of such Penta Payee's mechanics lien into the Lien Priority Reserve.
- e. Hall: With respect to its Secured Claim and its Administrative Claim, Hall will receive the balance of the Sale Proceeds in the approximate sum of \$26,885,000

including the amount received from the Lien Litigation Reserve. In addition, Hall will receive from the Plan Payment reimbursement of the \$655,745 it has funded to Capital One Bank and an assignment from the Debtor of the FF&E related to the Cal Neva Lodge and located in off-site storage at the O'Brien's Storage facility in Sparks, NV ("Cal-Neva FF&E"). Hall will consent to the transfer of the Fairwinds Estate to LI. Hall will exercise its rights under its Intercreditor Agreement with Ladera Development, LLC to obtain Ladera's support for the sale to LI, the Plan Modification and the Settlement of the Lien Litigation.

- f. Commitments by Lawrence: Lawrence agrees to extend the deadline to close under the APA through December 22, 2017 (and, assuming orders approving the agreements in the Term Sheet are entered by that date, to January 10, 2018) and to assign the Cal-Neva FF&E and any other of Hall's Collateral that is not sold to Lawrence under the Plan to Hall, and that the furnishings in the Fairwinds Estate shall be transferred to Paye. In addition, Lawrence agrees to reimburse Hall for any sums Hall previously paid to Capital One Bank in excess of \$500,000, which amount is approximately \$155,000.
- g. Professionals: Notwithstanding any other treatment under the Plan, the Professionals for the Debtor and the Committee shall accept on account of their administrative claims the total amount of \$975,000 from the Plan Payment, to be paid among them pro rata based on their respective total allowed fees and expenses.
- h. Paye: Paye will receive \$225,000 in exchange for dismissing its appeal; dismissing the Paye adversary; consenting to the transfer of the Fairwinds Estate to Buyer; the transfer of the Fairwinds Personal Property to Paye; and entering into various agreements. These other agreements shall provide for, among other things: (1) Paye to provide a full and complete release with respect to caretaker expenses or other maintenance or administrative expense claims related to the Fairwinds Estate; (2) Paye and LI to execute a full and complete mutual release of all claims known and unknown; (3) Paye and CR Lake Tahoe, LLC to execute a full and complete mutual release of all claims known and unknown; (4) Paye and 9898 Lake, LLC to execute a full and complete mutual release of all claims known and unknown; and (4) Paye and the Debtor to execute a full and complete mutual release of all claims known and unknown
- i. Dismissal of Appeals: Hall and Paye agree to dismiss their appeals of the confirmation order and findings, and any related stay.
- j. Mutual Releases: Hall and Penta agree to mutually release each other from any claims.

As indicated by their signatures to the Term Sheet, all of the parties affected by the foregoing changes have expressly agreed to modify the Plan to incorporate these changes.

## II.

### **RELIEF REQUESTED AND ARGUMENT**

Pursuant to this Motion, the Proponents request that the Plan be modified to implement the changes provided for under the Term Sheet, as summarized above ("Proposed Modifications").

1 Pursuant to Bankruptcy Code section 1127(b), the Proponents requests that the Plan be  
2 modified to incorporate the terms of the Proposed Modifications, which shall be binding and  
3 supersede any conflicting or inconsistent positions. Bankruptcy Code section 1127(b) provides that:

4 The proponent of a plan or the reorganized debtor may modify such  
5 plan at any time after confirmation of such plan and before substantial  
6 consummation of such plan, but may not modify such plan so that such  
7 plan as modified fails to meet the requirements of sections 1122 and  
8 1123 of this title. Such plan as modified under this subsection becomes  
the plan only if circumstances warrant such modification and the court,  
after notice and a hearing, confirms such plan as modified, under  
section 1129 of this title.

11 U.S.C. § 1127(b).

9 The only creditors that are adversely affected by the Proposed Modifications have already  
10 expressed their support for these modifications, by signing the Term Sheet. Given the material  
11 benefit that the Term Sheet represents, which is a path forward to effectuate an immediate closing of  
12 the Plan, which has been unfortunately held up close to two months now, approval of the the  
13 Proposed Modifications is in the best interests of the Debtors' estate and all parties in interest. As  
14 such, the Proponents submit that the Proposed Modifications comply with Bankruptcy Code section  
15 1127(b) because the Plan Modifications will have no impact on the holder of any claim that has not  
16 signed the Term Sheet. Even after the Plan Modifications are approved, the Plan will continue to  
17 satisfy all of the applicable requirements of the Bankruptcy Code.

18 The Term Sheet also provides for the resolution of various pieces of related litigation,  
19 including the Paye adversary proceeding and the Lien Litigation. By this Motion, the Proponents  
20 also request that the Court approve as a Plan Modification that aspect of the Term Sheet that  
21 provides for the Debtor and Paye to exchange releases. The Debtor has represented to the  
22 Committee that it is unaware of any potential estate claims against the Payes, and that the release is  
23 in aid of the settlement contained in the Term Sheet. As such, the Debtor and the Committee submit  
24 that the settlement of the Payes' dispute, as provided for in the Term Sheet meets the standards set  
25 forth under Fed. R. Bankr. P. 9019 and in *Martin v. Kane (In re A & C Properties)*, 784 F. 2d 1377,  
26 1380-81 (9th Cir. 1986).



The Court is not being asked through this Motion to approve the settlement of the Lien Litigation between Hall and Penta or any related releases. Rather, those will be the subject of a separate motion.

### III.

#### CONCLUSION

For all of the foregoing reasons, the Plan Proponents request that the Court approve the Motion and enter an order approving the Proposed Modifications. The parties anticipate being able to lodge with the Court at or before the hearing on this Motion an agreed order approving the Plan Modifications that will be approved by the Debtor, the Committee, Hall, Penta, Paye and Lawrence.

Dated: December 12, 2017

*/s/ Courtney Miller O'Mara*

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Counsel for Lawrence Investments, LLC



**EXHIBIT A**

## AMENDED AND RESTATED TERM SHEET

Lawrence Investments, LLC, SF Pacific, LLC, and CN Hotel Holdings LLC (collectively, “**LI**”); Hall CA-NV, LLC (“**Hall**”); The Penta Building Group and its subcontractors (“**PENTA**”); Paul and Evy Paye, LLC (“**Paye**”); New Cal Neva Lodge, LLC (“**Debtor**”); the Official Committee of Unsecured Creditors established in Debtor’s case (“**OCC**”); and Hartman & Hartman, Keller & Benvenuti LLP, Fennemore Craig, P.C., and Pachulski Stang Ziehl & Jones, LLP (collectively, the “**Professionals**”) (collectively, LI, Hall, PENTA, Paye, Debtor, OCC and the Professionals being the “**Parties**”) enter into this Amended and Restated Term Sheet effective as of December 6, 2017.

1. Plan Modification: The confirmed Plan will be modified by the filing of a motion to approve non-material plan modifications which will be agreed to by the Parties. The Plan will be modified to increase the Plan Payment to \$2,355,000; reduce the carve-out for professional fees from \$1,200,000 to \$975,000; provide that any excess Plan Payment funds will be paid to Hall; provide that the \$500,000 payment to Capital One Bank and an additional amount of \$155,000 from the Plan Payment with respect to payments to Capital One Bank will be paid to Hall; provide that the Cal-Neva FF&E and any other of Hall’s Collateral that is not sold to LI under the Plan will be assigned to Hall; and to provide for the payment of \$225,000 from the Plan Payment to Paye. The foregoing modifications will be implemented by (a) Hall and Paye stipulating to the dismissal of their pending appeals, such that the appeals are dismissed by December 15, 2017; (b) Hall stipulating to the dissolution of the stay of the Confirmation Order, such that the stay is dissolved by December 15, 2017; (c) LI stipulating that it will (i) not seek to consummate the existing Plan upon the dismissal of the Hall and Paye appeals, and the dissolution of the Hall stay; and (ii) seek to consummate the Plan and purchase of the Property and Fairwinds Estate only as modified pursuant to this term sheet; and (d) the Parties filing with the Bankruptcy Court a joint motion to approve plan modifications consistent with this term sheet.

2. Settlement of Lien Litigation: Hall and PENTA will file a motion in the Lien Litigation seeking approval of a settlement of the Lien Litigation and dismissal of all claims with prejudice as to all parties to the Lien Litigation. The \$15 million Lien Litigation Reserve will be distributed \$8,025,000 to PENTA and \$6,855,000 to Hall. Hall and PENTA agree to file a motion to dismiss the Lien Litigation and obtain an order of dismissal. Hall and PENTA will leave the sum of \$120,000 in the Lien Litigation Reserve with respect to any liens of subcontractors not included under the Penta Payees (as defined below). Any monies remaining after satisfying such liens will be split equally by PENTA and Hall. Hall and PENTA agree to continue the trial date scheduled for January 2018 to the extent necessary to implement the plan modifications and lien litigation settlement as provided for in this term sheet.

3. Penta and Subcontractors: Notwithstanding any treatment under the Plan, PENTA will receive the amount of \$8,025,000 on account of the claims of PENTA, its subcontractors and D4US, LLC. (collectively “**Penta Payees**”) and PENTA shall receive \$550,000 on account of its superpriority lien pursuant to the replacement of the retail roof. PENTA shall either deliver executed mechanics lien releases from each of the Penta Payees or, at its option, shall tender the recorded amount of such Penta Payee’s mechanics lien into the Lien Priority Reserve.

4. Hall: With respect to its Secured Claim and its Administrative Claim, Hall will receive the balance of the Sale Proceeds in the approximate sum of \$26,885,000 including the amount received from the Lien Litigation Reserve. In addition, Hall will receive from the Plan

Payment reimbursement of the \$655,745 it has funded to Capital One Bank and an assignment from the Debtor of the FF&E related to the Cal Neva Lodge and located in off-site storage at the O'Brien's Storage facility in Sparks ("**Cal-Neva FF&E**"). Hall will consent to the transfer of the Fairwinds Estate to LI. Hall will exercise its rights under its Intercreditor Agreement with Ladera Development, LLC to obtain Ladera's support for the sale to LI, the Plan Modification and the Settlement of the Lien Litigation.

5. Commitments by and for LI:

(a) LI agrees to hold open its commitment to purchase the Property under the terms of the Asset Purchase Agreement ("**APA**") (i) notwithstanding the fact that the Sale Order was appealed, stayed and failed to become a Final Order under the terms of the APA, and (ii) provided that a court order approving the plan modification contemplated by Section 1 above, and any other court order(s) that LI reasonably deems advisable to approve the sale of the Property and consummation of the Plan (as modified pursuant to this term sheet) are entered no later than December 22, 2017 (or such later date as LI may approve), and all such orders become final (without the issuance of any stay or the filing of any appeal or petition for review or rehearing) within not less than fourteen (14) days after their entry or such later date as LI may approve (the date on which the last of such orders become final is referred to as the "**Final Order Date**"), and (iii) with the understanding that the Scheduled Closing Date as provided under the APA will be reset to January 10, 2018 or, if later and requested by LI, five (5) business days after the Final Order Date.

(b) LI agrees to exclude from the Property to be acquired by LI under the APA: (i) the Cal-Neva FF&E, which the Debtor will assign to Hall, and (ii) the un-affixed furnishings and personal property in the Fairwinds Estate ("**Fairwinds Personal Property**") that are timely removed by Paye from the Fairwinds Estate prior to the Closing Date (defined below) pursuant to Paragraph 7 below. All of the Parties agree that the Fairwinds Personal Property is and shall be the personal property of Paye. No other Party has or shall have any claim of ownership to the Fairwinds Personal Property which is timely removed from the Fairwinds Estate by Paye. Paye is hereby granted access to the Fairwinds Estate to remove the Fairwinds Personal Property whenever convenient to Paye, so long as the Fairwinds Personal Property is removed by Paye prior to the Closing Date. The Parties shall facilitate, as necessary, Paye's removal of the Fairwinds Personal Property by, among other things, providing Paye with full access to the Fairwinds Estate. As used in this Amended and Restated Term Sheet, the term "**Closing Date**" shall have the meaning attributed to it in Section 1.01(h) of the APA, which Section reads as follows: "*Closing Date*" shall mean the date on which the Closing occurs."

(c) In light of Hall's prior payment to Capital One of approximately \$155,000 more than the \$500,000 cure amount contemplated under the Plan, LI agrees to increase the \$2,200,000 Plan Payment to \$2,355,000.

(d) All property taxes shall be paid current at closing. LI shall be responsible for property taxes, as prorated, only from and after the Closing Date. If and to the extent Capital One holds funds in any unapplied escrow, impound or other account or facility on the Closing Date, LI shall be entitled to those funds.

(e) Hall shall be responsible for the payment through and until the Closing Date of (i) all reasonable and necessary costs to secure and maintain the Property, including Alert Security,

United Site Services, Briggs Electric, Jim Eighme, JK Architects, Sani-Hut, O'Brien's Storage, Tahoe Workz Snow, and utility services, attributable to any period prior to the Closing Date, and (ii) amounts payable to Capital One under its loan secured by the Fairwinds Estate. Any such payments that come due prior to the Closing Date shall be paid on a timely basis and prior to delinquency. In the event Plan Payment funds are insufficient to cover such payments and all other costs designated for payment out of the Plan Payment under the Plan, such shortfall shall be the responsibility of Hall and operate to reduce the share of Sale Proceeds it receives.

(f) Notwithstanding the terms of Paragraph 5(d) and 5(e) above, LI shall on the Closing Date reimburse or provide a credit through escrow for the benefit of Hall for (i) invoices paid and agreed obligations incurred for the period from the Final Order Date through the Closing Date owing to Alert Security, United Site Services, Briggs Electric, Jim Eighme, JK Architects, Sani-Hut, Tahoe Workz Snow and utility services (excluding O'Brien's Storage), and (ii) payments made by Hall to Capital One after the date of this Term Sheet for principal and ordinary (non-default rate) interest charges owing under its loan secured by Fairwinds Estate, and (iii) property taxes on the Lodge and the Fairwinds Estate attributable to the period from the Final Order Date through the Closing Date.

6. Professionals: Notwithstanding any other treatment under the Plan, Professionals for the Debtor and the Committee shall accept on account of their administrative claims the total amount of \$975,000 from the Plan Payment, to be paid among them pro rata based on their respective total allowed fees and expenses.

7. Paye: Paye will receive \$225,000 in exchange for the consideration set forth in this Amended and Restated Term Sheet. Paye, with the cooperation of the Parties, shall dismiss its adversary proceeding with each party to bear its own attorneys' fees and costs (by stipulation with the defendants if necessary), and the same shall be dismissed with prejudice as to the Parties. Paye, with the cooperation of the Parties, shall dismiss its appeal of the confirmation order with prejudice with each party to bear its own attorneys' fees and costs (by stipulation with the appellees if necessary). Paye shall provide a full and complete release for caretaker expenses or other maintenance or administrative expense claims related to the Fairwinds Estate. Paye and LI shall execute a full and complete mutual release of all claims known and unknown. Paye and CR Lake Tahoe, LLC shall execute a full and complete mutual release of all claims known and unknown. Paye and 9898 Lake, LLC shall execute a full and complete mutual release of all claims known and unknown. Paye agrees to review and execute such additional documentation that LI may require to carry out the agreement set forth herein. In addition, Paye may take and retain the Fairwinds Personal Property, but only to the extent it is removed from the Fairwinds Estate at Paye's sole expense prior to the Closing Date.

8. Dismissal of Appeals: Hall and Paye agree to dismiss their appeals of the confirmation order and findings, and any accompanying stay as set forth in this Amended and Restated Term Sheet

9. Mutual Releases: Hall and PENTA agree to mutually release each other from any claims. Paye and the Debtor mutually release each other from any and all known and unknown claims through the date of this Amended and Restated Term Sheet.

10. Final Documentation: The parties contemplate more comprehensive documentation, pleadings, and other materials and actions in order to fully consummate their agreements, as outlined in this Term Sheet. The parties and their counsel agree to fully cooperate in the drafting and execution of such additional documents as are reasonably necessary to implement the provisions of this Term Sheet, and to obtain court approval where such approval is deemed appropriate by the parties, or required by law.

11. Prior Term Sheet: This Amended and Restated Term sheet supersedes and replaces that certain Term Sheet dated November 28, 2017 executed by certain of the parties hereto, which November 28, 2017 Term Sheet shall be of no force or effect.

Agreed to as of the date first stated above.

DLA Piper LLP (US)

By: \_\_\_\_\_

Eric Goldberg  
Counsel for Lawrence Investments, LLC, SF Pacific,  
LLC and CN Hotel Holdings, LLC

Gardere Wynne Sewell LLP

By: \_\_\_\_\_

Frank J. Wright  
Counsel for Hall CA-NV LLC

Holland & Hart

By: \_\_\_\_\_

Lars Evensen  
Counsel for The Penta Building Group, LLC

Estes Law P.C.

By: \_\_\_\_\_

Holly E. Estes  
Counsel for Paul and Evy Paye, LLC

Hartman & Hartman

By: \_\_\_\_\_

Jeffrey L Hartman  
On behalf of itself as a Professional, and as Counsel  
for New Cal-Neva Lodge, LLC

10. Final Documentation: The parties contemplate more comprehensive documentation, pleadings, and other materials and actions in order to fully consummate their agreements, as outlined in this Term Sheet. The parties and their counsel agree to fully cooperate in the drafting and execution of such additional documents as are reasonably necessary to implement the provisions of this Term Sheet, and to obtain court approval where such approval is deemed appropriate by the parties, or required by law.

11. Prior Term Sheet: This Amended and Restated Term sheet supersedes and replaces that certain Term Sheet dated November 28, 2017 executed by certain of the parties hereto, which November 28, 2017 Term Sheet shall be of no force or effect.

Agreed to as of the date first stated above.

DLA Piper LLP (US)

By: \_\_\_\_\_

Eric Goldberg

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I.I.C. and CN Hotel Holdings, LLC

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By:  \_\_\_\_\_

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Holly E. Estes

Counsel for Paul and Evy Paye, LLC

Hartman & Hartman

By: \_\_\_\_\_

Jeffrey L Hartman

On behalf of itself as a Professional, and as Counsel  
for New Cal-Neva Lodge, LLC

10. Final Documentation: The parties contemplate more comprehensive documentation, pleadings, and other materials and actions in order to fully consummate their agreements, as outlined in this Term Sheet. The parties and their counsel agree to fully cooperate in the drafting and execution of such additional documents as are reasonably necessary to implement the provisions of this Term Sheet, and to obtain court approval where such approval is deemed appropriate by the parties, or required by law.

11. Prior Term Sheet: This Amended and Restated Term sheet supersedes and replaces that certain Term Sheet dated November 28, 2017 executed by certain of the parties hereto, which November 28, 2017 Term Sheet shall be of no force or effect.

Agreed to as of the date first stated above.

DLA Piper LLP (US)

By: \_\_\_\_\_


Eric Goldberg  
Counsel for Lawrence Investments, LLC, SF Pacific,  
LLC and CN Hotel Holdings, LLC

Gardere Wynne Sewell LLP

By: \_\_\_\_\_

Frank J. Wright  
Counsel for Hall CA-NV LLC

Holland & Hart

By:  \_\_\_\_\_  
Lars Evensen  
Counsel for The Penta Building Group, LLC

Estes Law P.C.

By: \_\_\_\_\_

Holly E. Estes  
Counsel for Paul and Evy Paye, LLC

Hartman & Hartman

By: \_\_\_\_\_

Jeffrey L Hartman  
On behalf of itself as a Professional, and as Counsel  
for New Cal-Neva Lodge, LLC



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Frank J. Wright

Counsel for Hall CA-NV LLC

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By: \_\_\_\_\_

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Counsel for The Penta Building Group, LLC

Estes Law P.C.

By:  \_\_\_\_\_

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On behalf of itself as a Professional, and as Counsel for New Cal-Neva Lodge, LLC

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DLA Piper LLP (US)

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LLC and CN Hotel Holdings, LLC

Gardere Wynne Sewell LLP

By: \_\_\_\_\_

Frank J. Wright  
Counsel for Hall CA-NV LLC

Holland & Hart

By: \_\_\_\_\_

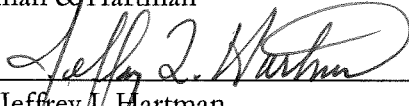
Lars Evensen  
Counsel for The Penta Building Group, LLC

Estes Law P.C.

By: \_\_\_\_\_

Holly E. Estes  
Counsel for Paul and Evy Paye, LLC

Hartman & Hartman

By:  12/6/17  
Jeffrey L. Hartman

On behalf of itself as a Professional, and as Counsel  
for New Cal-Neva Lodge, LLC

Keller & Benvenuti

By: 

Peter J. Benvenuti

On behalf of itself as a Professional, and as Counsel  
for New Cal-Neva Lodge, LLC

Fennemore Craig, P.C.

By: \_\_\_\_\_

Courtney Miller O'Mara

On behalf of itself as a Professional, and as Counsel  
for the Official Committee of Unsecured Creditors

Pachulski Stang Ziehl & Jones LLP

By: \_\_\_\_\_

Shirley S. Cho

On behalf of itself as a Professional, and as Counsel  
for the Official Committee of Unsecured Creditors

Keller & Benvenutti

By: \_\_\_\_\_

Peter J. Benvenutti

On behalf of itself as a Professional, and as Counsel  
for New Cal-Neva Lodge, LLC

Fennemore Craig, P.C.

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On behalf of itself as a Professional, and as Counsel  
for the Official Committee of Unsecured Creditors

Pachulski Stang Ziehl & Jones LLP

By: \_\_\_\_\_

Shirley S. Cho

On behalf of itself as a Professional, and as Counsel  
for the Official Committee of Unsecured Creditors

**EXHIBIT B**

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COUNSELORS AT LAW  
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327 CALIFORNIA AVENUE ~ RENO, NEVADA 89509

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P.O. Box 62  
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(775) 284-8888

Frank J. Wright (TX Bar No. 22028800)  
*(Pro Hac Vice, Verified Petition Pending)*  
2021 McKinney Avenue, Suite 1600  
Dallas, Texas 75201  
(214) 999.3000  
[fwright@gardere.com](mailto:fwright@gardere.com)

Attorneys for Hall CA-NV, LLC

UNITED STATES DISTRICT COURT  
DISTRICT OF NEVADA

In Re:

NEW CAL NEVA LODGE, LLC,  
A Nevada Limited-Liability Company;

Debtor

HALL CA-NV, LLC, a Texas Limited-Liability  
Company,

Appellant,

vs.

LAWRENCE INVESTMENTS, LLC;  
OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS,

Appellees.

Case No: 3:17-cv-00636-RCJ

US Bankruptcy Court, District of Nevada  
Case No: BK-16-51282-gwz  
Appeal Ref. No.: 17-49

**STIPULATION TO VOLUNTARILY  
DISMISS APPEAL WITH PREJUDICE  
AND TO TERMINATE STAY OF  
CONFIRMATION ORDER PENDING  
APPEAL**

(First Request)

**STIPULATION TO VOLUNTARILY DISMISS APPEAL WITH PREJUDICE AND TO  
TERMINATE STAY OF CONFIRMATION ORDER PENDING APPEAL**

ATTORNEYS AND  
COUNSELORS AT LAW  
Office: (775) 284-8888 Fax: (775) 284-3838  
P.O. BOX 62 ~ RENO, NEVADA 89504  
327 CALIFORNIA AVENUE ~ RENO, NEVADA 89509  
  
FAHRENDORF,  
VILORIA,  
OLIPHANT  
& OSTER L.L.P.

1 Appellants, Hall CA-NV, LLC, a Texas Limited-Liability Company ("Hall") by and through  
2 its counsel, Frank J. Wright, Esq., of Gardere Wynne Sewell, LLP; Appellants Paul and Evy Paye,  
3 LLC, a California limited liability company ("Paye") by and through its counsel, Holly E. Estes, Esq.,  
4 of Estes Law, P.C.; Appellee, Lawrence Investments, LLC ("Lawrence"), by and through its counsel  
5 Eric Goldberg, Esq., of DLA Piper LLP; Appellee, the Official Committee of Unsecured Creditors  
6 (the "Committee"), by and through its counsel Shirley S. Cho, Esq., of Pachulski Stang Ziehl &  
7 Jones LLP; and interested party, Penta Building Group, LLC ("Penta"), by and through its counsel  
8 Lars Evensen, Esq., of Holland & Hart (hereinafter cumulatively referred to as the "Parties"), hereby  
9 stipulate and agree to dismiss with prejudice the appeal with Appeal Reference Number 17-49 and  
10 original case number 3:17-cv-00636-RCJ which is now consolidated with the Appeal Reference  
11 Number 17-50 pursuant to Federal Rule of Bankruptcy Procedure 8023. The Parties further  
12 stipulate and agree that the Stay of Confirmation Order Pending Appeal which was granted at the  
13 emergency hearing held October 24, 2017 shall terminate upon entry of this Stipulation and Order.

14 The Parties stipulate and agree that each party shall bear its own fees and costs related to the  
15 appeal.

16 IT IS SO STIPULATED.

17 DATED this 7th day of December, 2017.

GARDERE WYNNE SEWELL, LLP

18  
19 By: /s/ Frank J. Wright  
FRANK J. WRIGHT, ESQ.  
Hall CA-NV, LLC

20  
21 DATED this 7th day of December, 2017.

ESTES LAW

22  
23 By: /s/ Holly E. Estes  
HOLLY E. ESTES, ESQ.  
Paul and Evy Paye, LLC

24  
25 DATED this 7th day of December, 2017.

DLA PIPER LLP

26  
27 By: /s/ Eric Goldberg  
ERIC GOLDBERG, ESQ.  
Lawrence Investments, LLC

28



1 DATED this 7th day of December, 2017.

PACHULSKI STANG ZIEHL  
& JONES LLP

By: /s/ Shirley S. Cho  
SHIRLEY S. CHO, ESQ.  
Official Committee of Unsecured Creditors

6 DATED this 7th day of December, 2017.

HOLLAND & HART

By: /s/ Lars Evensen  
LARS EVENSEN, ESQ.  
Penta Building Group, LLC

10 IT IS SO ORDERED:

11 DATED this 12 day of December, 2017.

By:   
UNITED STATES DISTRICT JUDGE or  
UNITED STATES MAGISTRATE JUDGE

ATTORNEYS AND  
COUNSELORS AT LAW  
Office: (775) 284-8888 Fax: (775) 284-3838  
P. O. BOX 62 ~ RENO, NEVADA 89504  
327 CALIFORNIA AVENUE ~ RENO, NEVADA 89509  
FAHRENDORF,  
VILORIA,  
OLIPHANT  
& OSTER L.L.P.

**CERTIFICATE OF SERVICE**

I the undersigned, hereby certify that on the 7th day of December, 2017, the foregoing document was served on all parties consenting to electronic service in this case *via* the Court's CM/ECF system of the District Court.

/s/Alexandra Schroeder

The foregoing document has been delivered by other means to:

Eric Goldberg  
DLA Piper LLP (US)  
Suite 400 North Tower  
2000 Avenue of the Stars  
Los Angeles, CA 90067

John Fiero  
Fennemore Craig, P.C.  
150 California Street, 15th Floor  
San Francisco, CA 94111

Paul Wassgren  
DLA Piper LLP(US)  
Suite 400 North Tower  
2000 Avenue of the Stars  
Los Angeles, CA 90067

Shirley Cho  
Fennemore Craig, P.C.  
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FAHRENDORF,  
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HOLLY E. ESTES, ESQ.  
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ESTES LAW, P.C.  
605 Forest Street  
Reno, Nevada 89509  
Telephone (775) 321-1333  
Facsimile (775) 321-1314  
*Email: hestes@esteslawpc.com*

Attorney for Paul and Evy Paye, LLC

UNITED STATES DISTRICT COURT  
DISTRICT OF NEVADA

—ooOoo—

In Re:  
NEW CAL-NEVA LODGE, LLC,  
Debtor.

Case No. BK-N-16-51282-GWZ  
Chapter 11

**Lead Case:**  
Appeal Reference No. 17-49

\_\_\_\_\_  
PAUL AND EVY PAYE, LLC, a  
California limited liability company,  
Appellant.

District Court No. 3:17-cv-00636-RCJ

**Consolidated with:**  
Appeal Reference No. 17-50

District Court No. 3:17-cv-00640-RCJ

v.

LAWRENCE INVESTMENTS, LLC;  
THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS; NEW CAL  
NEVA LODGE, LLC; CR LAKE  
TAHOE, LLC; 9898 LAKE, LLC,

**STIPULATION TO VOLUNTARILY  
DISMISS APPEAL WITH  
PREJUDICE**

(First Request)

\_\_\_\_\_  
Appellees.

Appellants, Paul and Evy Paye, LLC, a California limited liability company ("Paye")  
by and through its counsel, Holly E. Estes, Esq., of Estes Law, P.C., Appellants, Hall CA-NV  
LLC, a Texas limited liability company ("Hall"), by and through its counsel, Frank J. Wright,  
Esq., Appellee, Lawrence Investments, LLC ("Lawrence"), by and through its counsel Eric  
Goldberg, Esq., of DLA Piper LLP, Appellee, the Official Committee of Unsecured  
Creditors (the "Committee"), by and through its counsel Shirley S. Cho, Esq., of Pachulski

1 Stang Ziehl & Jones LLP, and interested party, Penta Building Group, LLC ("Penta"), by and  
2 through its counsel Lars Evensen, Esq., of Holland & Hart (hereinafter cumulatively referred  
3 to as the "Parties"), hereby stipulate and agree to dismiss with prejudice the appeal with  
4 appeal reference number 17-50 and original case number 3:17-cv-00640-RCJ which is now  
5 consolidated with the lead case number 3:17-cv-00636-RCJ pursuant to Federal Rule of  
6 Bankruptcy Procedure 8023. The Parties stipulate and agree that each party shall bear its  
7 own fees and costs related to the appeal.

8 IT IS SO STIPULATED.

9 DATED this 6th day of December, 2017.

10 ESTES LAW

11 /s/ Holly E. Estes  
12 By: HOLLY E. ESTES, ESQ.  
13 Paul and Evy Paye, LLC

14 DATED this 6th day of December, 2017.

15 By: /s/ Frank J. Wright  
16 FRANK J. WRIGHT, ESQ.  
Hall CA-NV, LLC

17 DATED this 6th day of December, 2017.

18 DLA PIPER LLP

19 By: /s/ Eric Goldberg  
20 ERIC GOLDBERG, ESQ.  
Lawrence Investments, LLC

21 DATED this 6th day of December, 2017.

22 PACHULSKI STANG ZIEHL & JONES LLP

23 By: /s/ Shirley S. Cho  
24 SHIRLEY S. CHO, ESQ.  
25 Official Committee of Unsecured Creditors

26 DATED this 6th day of December, 2017.

27 HOLLAND & HART

28 By: /s/ Lars Evensen  
LARS EVENSEN, ESQ.  
Penta Building Group, LLC

1 **IT IS SO ORDERED.**

2 **DATED** this 12 day of December, 2017.

3  
4 By:   
5 UNITED STATES DISTRICT JUDGE or  
6 UNITED STATES MAGISTRATE JUDGE  
7  
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**CERTIFICATE OF SERVICE**

I, Holly E. Estes, Esq., hereby certify that on the 6th day of December, 2017, the foregoing document was served on all parties consenting to electronic service in this case via the Court's CM/ECF system.

In addition, I served the following persons listed below via email on December 6, 2017:

9898 Lake, LLC  
by way of its Registered  
Agent, Capitol Corporate  
Services, Inc.  
Info@capitol-services.com

CR Lake Tahoe, LLC  
by way of its Registered  
Agent, Capitol Services,  
Inc.  
Info@capitol-services.com

Peter J. Benvenutti  
Keller Benvenutti, LLP

*/s/ Holly E. Estes*

HOLLY E. ESTES